

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple - Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940

**LARGE MINING OPERATIONS 2007 PROGRESS REPORT**  
**January 1, 2007 to December 31, 2007**

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: M0470010
2. Mine Name: Bonanza Mine
3. Name of Operator/Permittee: American Gilsonite Co.

Note: If Operator's address, company representative or phone number have changed, please provide a replacement page to the Notice of Intention.

4. Mine Location: Bonanza, Utah, 84008

5. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material:

Gross Ore Mined 59,143 Tons, or \_\_\_\_\_ yd<sup>3</sup>  
 Waste Material Moved 0 Tons, or \_\_\_\_\_ yd<sup>3</sup>  
 New Disturbance 1 Acres during 2007 - on BLM Land  
 Area Reclaimed 0 Acres during 2007  
 Total Disturbed Area 111.7 Acres\* Per DDM Calculator 2/8/07, 96.97 per AGC calculations 4/26/07  
 Was the ore shipped off site? If not, where is the ore located? Yes  
 Where is the waste located? N/A

\*Total life of mine disturbance to the end of 2007.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).  
Reclamation of site B-38 started in December and is still going on. Equipment has been getting torn down and removed there.
7. Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Jared Jackson  
 Title of Operator: Senior Engineer  
 Signature of Operator: Jared Jackson  
 Date: 1/29/08



**American Gilsonite Company**

Bonanza Minesite  
29950 South Bonanza Highway  
Bonanza Utah 84008 • Phone (435) 789-1921 • Fax (435) 789-1956

Task ID# 2233

Mr. Paul B. Baker  
State of Utah, Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

January 31, 2008  
Re: 2007 Annual Report

Dear Mr. Baker,

Please find attached the American Gilsonite Company (AGC) annual report for calendar year 2007. Please forward a copy of this to anyone who needs it at your office. I have also included an updated map of our mine sites. I took B-46 and B-50 off of the map because it will most likely be quite a while before those sites are opened.

Thank you,

A handwritten signature in black ink, appearing to read "Jared Jackson", written over the printed name.

Jared Jackson  
Senior Engineer  
American Gilsonite Company

RECEIVED

FEB 01 2008

DIV. OF OIL, GAS & MINING